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## MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

DATE: September 17, 2003

FROM: George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", is placed over the printed name of George M. Burgess.

SUBJECT: Information for Second Budget  
Hearing – FY 2003-04  
Proposed Budget

Attached for your consideration are the millage and budget ordinances as approved at the first budget hearing. These ordinances reflect the amendments to Agenda Item E adopted by the Board on September 3, 2003, as well as the correction of scrivener's errors and omissions, such as a correction to the Solid Waste fee schedule in Agenda Item F.

### **BUDGET OVERVIEW**

In June, when Mayor Penelas and you hired me to be County Manager, priorities for me were to address the County's financial stability, to review the County's organizational structure and growth with the goal of reducing costs and improving customer service, and to move the County to a results-oriented government with measurable objectives based on the County's strategic plan and compatible departmental business plans. The preparation of the Proposed Budget would normally have included the recommendations addressing all of those priorities.

However, when I was hired, many months already had been spent developing the FY 2003-04 Proposed Budget. Even though I worked on budget issues for much of my time from my appointment until the budget had to be submitted, it was impossible to become fully familiar with the budget recommendations or to include all the recommendations that I would have if I had been part of the budget development from its inception. For that reason I indicated, in my Budget Message, that the Proposed Budget was a work in progress, and more work would be done to modify the Proposed Budget before the final budget hearing.

My staff and I have worked since the budget was released to analyze organizational issues, including Miami-Dade Transit, the Office of Public Transportation Management, the Juvenile Assessment Center, the Elections Department, economic development agencies, the Fire Rescue Department, the Corrections and Rehabilitation Department, the Office of Employee Recognition, ocean lifeguard services, information technology, Homeland Security, etc. We have reviewed charge back procedures for administrative and information technology costs, and we have reviewed recommendations regarding staffing and attrition levels. During the reviews, our goals were to improve customer services, streamline operations, and further the County's financial stability.

In my opinion, the recommendation in the Proposed Budget to establish the Emergency Contingency Reserve is one of the most important regarding the long-range budgetary and financial goals of the County. I cannot emphasize enough the importance of staying the course in establishing and protecting the Emergency Contingency Reserve. That reserve is critical for the County to remain a financially stable institution. Without such a reserve, the County will continue to be hard pressed to address emergencies and will

continue to siphon the carryover needed for financial stability. The financial community regularly uses carryover and the level of emergency operating reserves as critical measures of the financial strength and stability of an organization. The Emergency Contingency Reserve will be seen as a very positive step in our financial planning.

Even with the changes recommended in this report, there are many aspects of this budget that are of concern. Personnel cost increases required by the County's collective bargaining agreements, when added to increased retirement contributions mandated by the state, and increased health insurance costs, total more than the increase in general fund revenues. We have not been able to recommend increased funding to programs, such as the Miami-Dade Housing Agency, where federal budget reductions are being most seriously felt. Although we have recommended adjustments to ameliorate the most egregious levels of attrition in the Park and Recreation Department, Public Works Department, and Corrections and Rehabilitation Department, attrition levels remain high throughout the County. It must be recognized that the delays and reduced staffing created by increased attrition have a real service impact. However, department directors retain the flexibility to provide priority services, and the County has been able to generally avoid layoffs and draconian budget adjustments. However, we must recognize that when attrition causes service to drop below a minimum level, it is better to stop providing a service poorly and transfer the remaining resources to maintain other priority services.

Members of my staff and I have had the opportunity, over the past several weeks, to meet with each of you to discuss the fiscal realities facing us as a result of the economy, changes and mandates at the state and federal levels, contractual agreements and your budget priorities. At those meetings, as well as at the first budget hearing, many of you discussed the need to strengthen our financial stability as well as your regional and district priorities, including the need:

- to provide adequate reserves to address emergencies and provide carryover;
- to find funding for additional Quality Neighborhood Improvement Program (QNIP) projects;
- to provide additional funding for community-based organizations providing services within your districts or on a regional level; and
- to continue the economic development benefits of the Mom and Pop Grant Program.

You also questioned the need for various fee increases and have asked us to examine the possibility of reducing property tax levels. Other concerns included the recommendations regarding the various reorganizations that have been analyzed since the Proposed Budget was released in July. We also discussed the effects the revisions to Article V will have as the state takes over the court system and also the effect on the county of increased incorporation. Many of you were especially concerned about the effect of additional attrition on park and recreation programs, public works activities, and maintaining services in our jails. The issues you raised are addressed in more detail in the recommendations and informational reports that follow.

Overall, I share your concerns. I am especially sensitive to the use of attrition to balance the budget and to the fee increases recommended in the budget. As I have reviewed

the rationale behind those recommendations, I am convinced of the need to raise water and sewer rates to meet mandated service levels and to return the solid waste household collection fee to the level maintained from October, 1992 through 1995 (\$399 per household) in order to continue services and meet the requirements of our solid waste bonds. The financial community will also see these fee adjustments as evidence of the County's strong commitment to financial stability.

I also recognize that we must not unfairly rely on proprietary departments, and their dedicated revenues, to balance the general fund. Charges to proprietary agencies should be based on the premise that neither proprietary fees nor general fund taxes should subsidize the other, but rather each fund should pay a fair share for the internal services that are provided. That is not to say that adjustments cannot be made, and recommendations are included below to lower the administrative and technology costs charged to proprietary agencies. Similarly, in reviewing the effects of attrition in the budget, it is recommended to increase support to the Park and Recreation Department, the Public Works Department, and the Corrections and Rehabilitation Department in order to address the service issues facing those agencies.

Adjustments must be done carefully. Other governments have gone into a downward spiral by trying to be all things to all people holding the line on taxes and fees and maintaining or increasing service levels, while absorbing the costs of inflation and contractually labor cost increases. Efficiencies and the ingenuity of our employees have allowed us to achieve a remarkable record of holding the line on millage and fee increases, while meeting service demands and addressing your individual priorities. For several years, at the second budget hearing, we have been able to trim reserves and shift funds in order to address your budget priorities and district needs. However, we have reached the point where fiscal realities and prudence require us to be more disciplined and to examine more carefully the process for making budget allocations and adjustments. Nevertheless, as described in more detail below, we have determined areas where expenditure allocations can be reduced. The freed-up money can address many of your concerns while maintaining financial stability.

I continue to recommend, as in the Proposed Budget, that all allocations go through a formal allocation process. At the same time, it is important to recognize that often a small allocation can have a large impact and that, as representatives of your district, you are in the best position to identify your district's needs. The Proposed Budget eliminated funding to community-based organizations (CBOs) that were first funded by the County at the budget hearings last September without going through a competitive process. CBOs that had been funded for more than one year were included in the Proposed Budget with three-quarter year transition funding to carry them through June, 2004. All the CBOs were directed to apply for funding to complete the year through the County's competitive grant programs. However, the first year funded CBOs were placed at a disadvantage because they did not have transition funding to carry them through June. In order to provide transition funding for the affected agencies, an allocation of \$1.291 million is recommended. In addition, it is recommended that \$390,000 be added to the allocation for the Cultural Affairs Council grants. At the County Commission meeting on September 11, 2003, the Board approved a small CBO Grant Program to address district needs based on the Social Services Master Plan to be administered by the Alliance for Human Services, within the allocated Alliance funding. The value of the

Program was to be equal to approximately eight percent of the contribution to the AHS or approximately \$100,000 per county commission district. It is also recommended that each Commission Office receive an allocation of \$100,000 for Mom and Pop Business grants (for a total of \$1.3 million compared to the total of \$1 million in FY 2002-03) to be administered by the Metro-Miami Action Plan (MMAP) organization.

Also, when reviewing the allocations to CBOs subsequent to the release of the proposed budget that two economic development programs were included as agencies that would be funded through the Alliance for Human Services. Those programs are AFRICANDO and the Thanksgiving Day Parade. Similar to other economic development programs, they should have been funded for the full year. Therefore, it is recommended that \$25,000 be added to the allocation for AFRICANDO, and \$50,000, to the allocation for the Thanksgiving Day Parade.

Another area being addressed concerns the Community Development Block Grant (CDBG) program. Over the past several years, when the allocation of CDBG funds have been considered in November and December, it has been necessary, at times, to incorporate the CDBG funding of eligible capital projects which had been funded in the fiscal year budget in order to free up other funds so that allocations could be made for public service programs in excess of the federal public service program cap. In order to eliminate the need for such project and fund swapping, it is recommended that another \$1.3 million (\$100,000 per district) be allocated as part of the general fund budget in order to address such issues at that time. In addition, the funds could also be used to address public service programs, economic development programs, or capital projects that were not included in the CDBG recommendations because of procedural or funding limitations. These and other recommendations are presented in more detail below.

In addition to the existing QNIP funds that are available for reallocation, it is recommended that a QNIP Phase 4 be funded through an UMSA financing. By structuring a financing so that payments of less than \$2.0 million begin in FY 2004-05, \$27.5 million can be made available for local unincorporated area projects, including drainage, sidewalk, traffic calming, parks, road, landscaping, and signage projects. This total program of \$32.5 million is discussed in more detail later in this report.

I realize that this report includes a significant amount of information for you and your staff to review and analyze. To assist in your deliberations at the budget hearing on Wednesday night, we are preparing an overview presentation summarizing the major points in this report. I look forward to having the opportunity to make that presentation to you.

## **RECOMMENDATIONS**

### **1. General Fund Budget Adjustments**

Since the Proposed Budget was submitted after July 1, when the Property Appraiser released the tax rolls for FY 2003-04, there are no changes to be recommended in revenues as the result of changes to the property tax rolls. We have reviewed our revenue projections through the August financial reports, and only have one recommended revenue change to the Countywide and Unincorporated Municipal

Service Area (UMSA) general fund budgets. Occupational license revenues are now projected to be \$118,000 higher in the countywide budget (resulting in an additional allocation to the Public Health Trust of \$14,000), and \$184,000 higher in the UMSA general fund. This changed projection also results, pursuant to state law and county code, in an increased allocation of \$217,000 in occupational license revenue to the Beacon Council and of \$17,000 to the MMAP.

Also, there is a recommended change to the UMSA general fund expenditures as a result of the annexation of Kings Bay to Coral Gables from Palmetto Bay. Following the annexation, the loss in tax roll from Palmetto Bay reduced the city's mitigation payment to the County by \$138,000. The mitigation payment was budgeted to reimburse the Police Department for services in the unincorporated area around Palmetto Bay, and as a result of the reduced payment, it is recommended to increase the budget for the Police Department by an equivalent amount.

As discussed in the Budget Overview, above, it is recommended that the countywide general fund budget be amended to include:

- two allocations of \$1.3 million (\$100,000 per district) each for allocations related to the Community Development Block Grant budgeting process, and for district Mom and Pop Business Grants;
- an allocation of \$390,000 (\$30,000 per district) for district-related grants to be issued through the Cultural Affairs Council;
- an allocation of \$1.291 million for first year funded CBOs;
- an allocation of \$25,000 for AFRICANDO, and \$50,000 for the Thanksgiving Day Parade;
- an allocation of \$982,000 (and \$118,000 in the UMSA general fund budget; \$1.1 million total) to the Public Works Department to reduce attrition and eliminate the resulting delays in addressing service requests;
- an allocation of \$481,000 (and \$375,000 in the UMSA general fund budget and \$265,000 from various Park and Recreation Department trust funds; \$1.121 million total) to the Park and Recreation Department to reduce attrition to allow for generally maintaining current service levels in park maintenance and programs;
- an allocation of \$159,000 to maintain the current year's level of funding for the Metrozoo marketing budget (\$159,000);
- an allocation of \$3 million to reduce attrition in the Correction and Rehabilitation Department in order to generally maintain current service levels in the Department's programs; and
- an allocation of \$2.099 million (and \$1.129 million in the UMSA general fund budget; \$3.228 million total) to offset the reduced administrative reimbursement payments from proprietary agencies. (This change is discussed in more detail later in this report.)

At the first budget hearing, there was a discussion regarding the budget recommendation for the Public Health Trust (PHT) to be responsible for \$6 million in excess charges for ambulance services. Because of the projected reimbursement for costs by the PHT to the non-departmental allocation for the County's contractual payments for ambulance services, the allocation was lowered to \$1 million. Subsequent to the hearing, the President of the PHT and I reached a conceptual agreement to share

excess costs equally between the PHT and the countywide general fund budgets and that the payments from the PHT be made during FY 2003-04 and FY 2004-05. I have requested the Office of Audit and Management Services to review Metro Ambulance Services' application of the contract, in light of the increased charges. If there is a recovery from the vendor, the County and the Trust will split the recovery. As a result of this revised recommendation, \$1 million needs to be added to the non-departmental allocation for the County's contractual payments for ambulance services so that a total of \$2 million will be available for non-PHT related ambulance services.

Also, as discussed in more detail later in this report, it is recommended that the funding for the Office of Americans with Disabilities Act (ADA) Coordination be made from the general fund (\$239,000 countywide and \$129,000 UMSA) rather than from the Office of Building Code Compliance.

On September 11, 2003, the Mayor responded to Commissioner Sorenson's suggestion at the first budget hearing that the budget for the Mayor's Office be reduced by seven percent, or \$190,000. In that response (Attachment 1), he requested that the reduction be reflected in the FY 2003-04 Proposed Budget.

At the request of Commission Chair Barbara Carey-Shuler, staff has analyzed over 300 County trust funds. As noted above, funds from various Park and Recreation Trust funds were identified that can be used for eligible purposes within the department thereby freeing up \$265,000 of funding that can be used to reduce attrition. In addition, another \$2.042 million from various trust funds were identified that is recommended to be transferred to the COR thereby reducing the transfer to COR by an equivalent amount. In addition, it is recommended that allocations to the COR be reduced by \$8.073 million. This change will require debt payments to be structured to reduce estimated first year payments and will require the deferral of certain other construction and technology development projects. In addition, because of the additional costs associated with the fire alarm improvements in the jails, it is recommended that the project be financed, thereby saving \$1.15 million in budgeted pay-as-you-go funding in FY 2003-04.

Other adjustments include:

- increased federal reimbursements for administrative costs in the Department of Human Services as the result of revenue maximization activities – \$200,000;
- reduced general fund support for the Procurement Department as the result of other revenues as described in more detail later in this report – \$75,000;
- increased savings resulting from reducing the County's vehicle fleet – \$400,000;
- reduced general fund support to Judicial Administration identified after a further review of the budget recommendation – \$400,000 (this reduction was made in conjunction with the Courts);
- reduced general fund support to the Police Department as a result of higher than projected revenue from the Local Law Enforcement Block Grant for overtime reimbursement – \$544,000;
- savings resulting from the economic development reorganization – \$255,000;

- elimination of the allocation to Salud Miami, which has been dissolved – \$75,000; and
- elimination of 350 positions, as described in more detail later in this report – \$264,000 (In addition, there are \$5.305 million in non-general fund savings.)

In addition to these changes, several budget recommendations were included in the cover report to the budget ordinances at first reading resulting from an adjustment to the allocation of \$2.6 million for the Healthflex plan for the working uninsured. In his response to the Proposed Budget, the Mayor indicated that the full \$2.6 million would not be needed in FY 2003-04 for the Healthflex plan. He recommended that \$300,000 of those funds be used for support for the Office of Countywide Healthcare Planning and \$500,000 be added to the allocation for distribution by the Alliance for Human Services. I concur with those recommendations. In addition, it is recommended that another \$500,000 be made available to the Cultural Affairs Council for allocation through its grants programs. Because, at this time it is not clear how much of the balance will be needed in FY 2003-04 for the Healthflex program, it is recommended that the balance of \$1.3 million be added to the Countywide Contingency Fund with the proviso that as implementation of the Healthflex program proceeds up to that amount can be used for the program from the Countywide Contingency Fund without additional Commission action.

The following table details the changes to the Countywide and UMSA general funds.



	<u>CW</u>	<u>UMSA</u>	<u>Total</u>
<b><u>Revenue Adjustments</u></b>			
Occupational Licenses	\$118	\$184	\$302
Administrative Reimbursements	(2,099)	(1,129)	(3,228)
<b>Total Revenue Adjustments</b>	<b>(\$1,981)</b>	<b>(\$945)</b>	<b>(\$2,926)</b>
<b><u>Expenditure Adjustments</u></b>			
Capital Outlay Reserve	(\$8,324)	(\$899)	(\$9,223)
Capital Outlay Reserve (Trust Funds)	(2,042)	0	(2,042)
Mayor's Office 7% Reduction	(124)	(66)	(190)
Human Services - Revenue Maximization	(200)	0	(200)
Procurement Management	(49)	(26)	(75)
Additional Fleet Savings	(260)	(140)	(400)
Judicial Administration	(400)	0	(400)
Police Overtime - grant reimbursement	0	(544)	(544)
Salud Miami	(75)	0	(75)
Elimination of funded positions	(234)	(30)	(264)
Economic Development reorganization savings	(255)	0	(255)
Public Health Trust (formula payment)	(235)	0	(235)
Healthflex Program	(2,600)	0	(2,600)
Countywide Contingency Reserve	1,300	0	1,300
Cultural Affairs Council Grants	500	0	500
Office of Countwide Healthcare Planning	300	0	300
Alliance for Human Services Grants	500	0	500
Public Works	982	118	1,100
Park and Recreation	640	375	1,015
Corrections and Rehabilitation	3,000	0	3,000
Adjustment of Palmetto Bay Mitigation Payment	0	138	138
ADA Coordination Office	239	129	368
AFRICANDO	25	0	25
Thanksgiving Day Parade	50	0	50
Mom and Pop Business Grants	1,300	0	1,300
First-year funded CBOs	1,291	0	1,291
District-related grants through CDBG process	1,300	0	1,300
District-related grants through CAC process	390	0	390
Share ambulance services with PHT	1,000	0	1,000
<b>Total Expenditure Adjustments</b>	<b>(\$1,981)</b>	<b>(\$945)</b>	<b>(\$2,926)</b>

## 2. Alternatives to Reduce Countywide Millage Rate or Water and Sewer Rate Increase

At the first budget hearing, Commissioner Morales requested a list of budget adjustments that could be made to reduce the countywide millage rate by 0.105 mills. He also requested options to reduce the water and sewer rate increase. The budgeted value of the 0.105 mills on the countywide tax roll is \$12.978 million. Of that amount, \$1.541 million is allocated to the Public Health Trust as part of the maintenance of effort requirement and \$315,000 is allocated to tax increment financing districts in accordance

with state law. Those adjustments leave a balance of \$11.122 million that would have to be reduced from the countywide general fund in order to reduce the millage by 0.105 mills.

In light of the operating and capital requirements on the Water and Sewer Department, it is not recommended that adjustments be made to the department budget to reduce the rate increase. Rather, the Board could consider an adjustment to the Department's payment to the countywide general fund, currently set at 8.67 percent. Each one percent of water and sewer rate increase is worth \$3.65 million. The net effect of a \$3.65 million revenue reduction to the general fund is \$3.217 million, after adjustment for the PHT maintenance of effort payment.

The items on the following list are budgetary adjustments that have a total value equal to that of reducing the countywide millage by 0105 mills and reducing the water and sewer rate increase by two percent. They are not in any priority order, but are presented in order of increasing value. I must stress that it is **not recommended** that the millage rates or the recommended water and sewer rate increase be reduced.

For FY 2003-04, while the countywide operating millage rate is recommended to increase by 0.105 mills, the countywide debt service millage rate decreases by the same amount, and the total remains the same. Because both those millage rates are levied on all property in the county, there is no change to the total millage rate from the level in the current year. Over the past five years, the total millage rates have been reduced each year. Water and sewer rates have not increased since October, 1996, and, in fact, were decreased in October, 2001.

While I recognize that property tax rates and rate increases are policy issues for the Board to consider, the recommendations in the Proposed Budget are important in order to maintain financial stability, maintain services, and provide adequate services. Any reductions should be considered very carefully.

<b>POSSIBLE ADJUSTMENTS TO REDUCE MILLAGE RATE OR WATER AND SEWER RATE INCREASE*</b> (Dollars in Thousands)	
Defer Fitness Initiative in Parks Department	\$85
Slow phase-in of Commission Auditor staff	100
Transfer balance of Sister Cities International Conference Trust Fund to COR and reduce COR general fund support equally	115
Increase Parks Attrition by 0.5%	152
Eliminate customer information program to promote County portal	250
Defer expansion of Office of Countywide Healthcare Planning by limiting support to allocation from Public Health Trust (\$300,000)	300
Transfer functions of Independent Review Panel to Community Relations, eliminate 4 positions	363
Reduce County support to Juvenile Assessment Center, assuming savings from organizational review	400
Increase Public Works Attrition by 2%	400
Reduce County Commission budget by 5 percent as suggested at first budget hearing	646
Increase Corrections Attrition by 0.5%	650
Eliminate enhanced dead animal pick-up program in Animal Control	700
Eliminate In-Kind Reserve and continue to have departments absorb costs of in-kind services	750
Eliminate County funding to State Health Department	814
Eliminate Police DARE program and Citizens Police Academy; transfer staff to other duties rather than hiring new officers	1,000
Reduce security in Stephen P. Clark Center to screen visitors only	1,000
Require Police Department to use budgeted overtime to absorb a portion of the anticipated FTAA security costs	1,000
Eliminate enhanced funding to Cultural Affairs Council grants programs (\$800,000) and district-related grants (\$390,000)	1,190
First-year funded CBOs	1,291
Eliminate Mom and Pop Business Grants	1,300
Eliminate district-related grants through CDBG process	1,300
Delay implementation of 3-1-1 Answer Center until FY 2004-05	1,500
Use settlement payment for general fund programs rather than reimbursement to Water and Sewer Department	2,250
<b>TOTAL</b>	<b>\$17,556</b>

\* Note: These reductions are net of the formula reduction to the Public Health Trust of approximately \$2.4 million

### 3. Procurement Management

The FY 2003-04 Proposed Budget includes a recommended two-percent user access fee on purchases by County departments and other governmental, quasi-governmental and non-profit entities using contracts for goods and services established by the Department of Procurement Management (DPM). Revenue from this fee will be used to

help fund DPM operations. The previous surcharge program legislation, which expired in April, 2003, allowed for DPM-issued contracts to include the two percent access fee on purchases by non-County governmental or quasi-governmental agencies accessing the contracts.

Surveys have shown that a small but increasing number of large governmental jurisdictions around the United States utilize a percentage fee program. Jurisdictions that do so include Los Angeles County and San Diego County, the States of Florida, Idaho, Kansas, South Dakota, Washington and Wisconsin, and the federal government.

The recommended User Access Program (UAP) establishes a two percent deduction on all vendor invoices for newly established contracts, as well as negotiated modifications of existing contracts, including renewals. The Program applies to purchases by county departments and by non-county entities accessing county contracts. Included in the UAP are one-time, term, blanket and pool contracts issued by DPM, and the contracts of other jurisdictions accessed by DPM for the County. Small purchase orders issued by County departments, federal funds, employee benefits contracts, some revenue generating contracts, and contracts with Board established rates (towing, etc.) will be excluded from the Program.

DPM's contract solicitation documents will include language that fully informs bidders/proposers of the UAP. The Finance Department will administer and coordinate the Program for County agencies. Non-County entities wishing to access DPM-established contracts for goods and services will deduct the two percent from the vendor invoices and remit 75 percent of that amount to compensate DPM for the work performed in establishing the contracts. The remaining 25 percent will be retained by the outside entities to offset their costs for administering the invoice deductions to the vendor and forwarding the payments to the County.

When the Proposed Budget was submitted, the value of the UAP for FY 2003-04 was estimated at \$1 million. Staff from DPM and the Office of Management and Budget continued to develop the details of the program over the summer, and further examined the inventory of eligible contracts. This review has resulted in a new projection for estimated revenue of \$1.8 million. In addition to the UAP, staff also reviewed the negotiated savings program and determined that it would be easier to implement and administer the UAP. However, DPM will continue to measure the savings generated for the County through greater competition and aggressive contract negotiations. The additional UAP revenues (\$800,000) is recommended to replace the funding originally anticipated from negotiated savings (\$125,000), to provide additional support for procurement services (\$500,000), modify the ADPICS purchasing program to track UAP charges automatically (\$100,000), and reduce the general fund allocation to the department (\$75,000).

The additional \$500,000 UAP revenue for procurement services will allow DPM to lower its attrition rate from 12.25 percent to 7.25 percent to fill five positions that were to be held vacant (\$320,000), restore two positions (\$133,000) that were recommended for elimination, and provide necessary operating support. These changes will allow the department to continue its efforts to increase competition, reduce the cost of goods and services, and avoid purchasing delays.

#### **4. Community-based Organization Funding**

Attachment 2 is an updated listing of FY 2003-04 funding for community-based organizations (CBOs). An updated list will be provided to you before the second budget hearing with the results of Environmental Protection and Education, Library Information Access, Park Capital Improvements and the Public Health Trust (PHT) Request for Proposals (RFP) processes. The attachment shows the total amount allocated to each organization as a result of current year funding decisions and recommended funding for CBOs in the upcoming year. This list is sorted alphabetically by organization as well as by monitoring department.

During the first budget hearing, a number of CBOs such as the Alliance for Aging, the Center for Folk and Community Art, Stop Hunger (formerly known as the South Florida Food Recovery), and Victims Services, expressed concern regarding available funds for their organizations for FY 2003-04. Out of the four CBOs mentioned, three organizations are currently recommended for some type of funding for next year. The Alliance for Aging (AA) is recommended for \$110,000 from the general fund, Stop Hunger through the Alliance for Human Services (AHS) has been recommended for \$40,000, and Victims Services has been recommended for \$150,000. Since these CBOs provide social services to the community, it is recommended that these CBOs, except for the AA, which is on the AHS Board, apply for continued or additional funding through the AHS competitive process. The AHS will be releasing its Notice of Funding Availability (NOFA) on October 3, 2003, through a number of media outlets such as, local newspapers, the AHS website ([www.allianceforhumanservices.org](http://www.allianceforhumanservices.org)), libraries, and community centers. This NOFA would provide CBOs that provide human and social services with a three year funding cycle, which would begin on July 1, 2004, and last through June 30, 2007. A grant-writing workshop is scheduled to be given by AHS on October 9, 2003, to assist CBOs in preparing for their funding applications.

Acceptance by the Board of the CBO funding recommendations will serve as authorization for us to execute County Attorney-approved grant agreements as well as to exercise amendment, modification, renewal, cancellation and termination provisions of such grant agreements. In prior years, this authorization has accelerated the funding process for many of these agencies.

Attachments 3 and 4 are the reports on Airport and Seaport Promotional Funds required by Administrative Order 7-32. The proposed use of Aviation Promotional Funds contains revisions from the expenditures originally recommended in the FY 2003-04 Proposed Budget. Among the changes are the addition of the Security Heroes Recognition Program (\$4,700), Category X Airport Security Coordinators Meeting (\$10,000), and the Airport Council International Media Conference (\$10,000).

The proposed use of Seaport Promotional Funds also contains a revision from the Proposed Budget. The World Trade Center Miami event, "Sea Cargo Americas Trade Show and Congress," was canceled. The promotional support (\$75,000) is now recommended to be allocated to the Miami Children's Museum (\$50,000) for costs associated with a signature gallery showcasing the Port of Miami and to the Caribbean Latin American Action Miami Conference (\$25,000).

## **5. Summer Youth Employment Program**

In the Proposed Budget, it was recommended that \$1 million be appropriated from the general fund for a Summer Youth Employment Program. It is now recommended that these funds be allocated through the Alliance for Human Services to be awarded in a separate competitive process. This process will allow CBOs time to plan and develop programs that will provide meaningful work opportunities with minimal administrative overhead. Organizations may wish to augment existing seasonal activities or develop new initiatives to implement during the summer. It is most important that CBOs have the time to carefully consider what types of programs and activities they can operate. The RFP process will be conducted during the winter, and the County could enter into contracts before the summer. This schedule will also allow organizations that are selected to have the required time to hire and screen prospective employees. The Department of Human Services will administer the CBO agreements through its Contract Monitoring Division.

## **6. Position Growth**

Commissioner Morales through the Budget and Finance Committee requested an analysis of the County's recent position growth in an effort to identify potential opportunities for savings in FY 2003-04. The analysis targeted the period from February, 2001 to June, 2003. Overall, the number of County positions grew from 27,934 to 29,249, which represents a net growth of 1,315 positions or five percent. Proprietary departments accounted for 67 percent of the net position growth while the remaining 33 percent occurred in general fund departments.

The net position growth in proprietary departments included an additional 257 positions in the Community Action Agency (CAA) to assure federal funding agencies that there would be sufficient staff for available Head Start slots. However, because of space limitations, the slots were allocated to delegate agencies under contract with the County to provide Head Start services. As a result, 153 positions are eliminated in the FY 2003-04 budget. Other proprietary position growth included: 128 positions in Fire Rescue to staff new stations and units in the Fire District as well as additional fire inspectors for the Fire Prevention Unit; 81 positions in Aviation for Facilities Maintenance and Construction, Airside Safety and Security, Administration and Procurement and Business Management; 66 positions in Seaport for increased security, facilities maintenance and administration; 62 positions in the Department of Environmental Resource Management (DERM) for the most part due to the need for the management of Federal Emergency Management Agency funded projects and for the Quality Neighborhoods Improvement Program (QNIP); and 60 positions in the Miami-Dade Housing Agency for additional maintenance staff to increase the number of public housing units ready for occupancy.

The net position growth in general fund departments included: 46 positions in Park and Recreation to staff expanded facilities; 45 positions in Human Services for the New Beginnings Treatment and Cuban/Haitian Entrant and Refugee grant programs; 17 positions in technology and CIO initiatives, programming, web design and Electronic Document Management System (EDMS) implementation; and 27 positions in Team

Metro to enhance outreach and customer service functions and expand educational programs.

From FY 2002-03 to the FY 2003-04 Proposed Operating Budget, positions were both added to and deleted from the table of organization. Overall the number of County positions grew from 29,249 to 31,059, which represents a net growth of 1,810 positions or 5.8 percent. Among the positions are: 1,060 positions in Transit as a result of the People's Transportation Plan; 90 positions in Park and Recreation (including 46 positions for new and expanded facilities, 30 part-time to full-time conversions, 18 to support proprietary operations and 9 for various administrative support activities, and the elimination of 13 positions); 49 positions in Water and Sewer and 48 positions in Fire for new units for rescue and suppression services in the Fire District. While the aforementioned departments represent growth to the table of organization, several departments such as Community Action Agency, Human Services, Audit and Management Services, Team Metro, Building, Aviation, and Corrections and Rehabilitation show net decreases to their respective staffing needs.

However, in light of attrition and a review of the FY 2003-04 Proposed Budget following its submission, an analysis of County positions recently completed will result in the elimination of 350 positions and a projected savings of approximately \$5.305 million in proprietary departments and \$264,000 in general fund departments totaling \$5.569 million in additional savings for FY 2003-04. As a result, the number of budgeted positions for FY 2003-04 will be reduced to 30,709 (Attachment 5).

## **7. Causeway Capital Project**

Beaches along the Rickenbacker Causeway provide recreational use for many residents and tourists throughout the year. The Rickenbacker Causeway Recreational Facilities Improvement Project is needed immediately or we risk severe damage to the main causeway roadway during a major storm. The project will address environmental concerns such as: shoreline stabilization; beach renourishment and shoreline erosion along the Causeway. The project will develop a parking plan to maximize the use of existing facilities, and provide an aesthetically pleasant and safe environment for the public to enjoy.

For these reasons, the Public Works Department is proposing that the project be accelerated and funding be appropriated beyond what was in the FY 2003-04 Proposed Budget. While the total cost of the project will remain the same at \$2.8 million, \$300,000 is proposed for FY 2003-04 and \$1.25 million for each of the following two years. In this way, the project will be completed in FY 2005-06 instead of FY 2008-09 as originally proposed. Causeway carryover will be used to appropriately cash flow this project.

## **8. Solid Waste Household Collection Fee Alternatives**

Attachment 6 is a report from the department that reviewed options of eliminating the free bulky waste pick-up, eliminating curbside recycling, reducing enforcement, and adjustments to the trash and recycling center program. After reviewing this report, I am not recommending any change to the original recommendation for a \$50.00 per year residential household waste collection fee increase since the adverse effect on services

would far outweigh the value of the reduced fee. Again, the Board is reminded that the recommended fee increase puts our household waste collection fee back at the level it was at a decade ago!

## **9. Fiscal and Service Impact of Increased Attrition and Administrative Costs**

In an effort to balance the FY 2003-04 operating budget, general fund supported departments were asked to increase their budgeted attrition by 2.25 percent for FY 2003-04. The increased attrition would have caused delays in filling vacant positions and delays in the delivery of internal services in the areas of technology support, employee recruitment, employee appeals, and departmental outreach requests. The level of attrition in the Park and Recreation Department, Corrections and Rehabilitation Department, and the Public Works Department was raised as a concern by many of you. I share that concern and the recommended attrition levels was one of the budget recommendations which I wanted examined further. As discussed previously, other adjustments are recommended to reduce the levels of attrition in those departments to more manageable levels that will allow for the continuation of critical services without additional delays.

Proprietary departments were also asked to fund a proportionate share of the Information Technology Department's countywide technology initiatives according to a new funding model that is fundamentally based on the number of employees in each user department. The funding model included all on-going technology costs and allocated them as shared costs, to be divided among all agencies or as costs, to be borne by the individual department or fund benefiting from the program. Thus, for example, payroll costs are divided among both general fund and proprietary agencies, while costs associated with the criminal justice system are covered by the general fund only. On-going costs that were previously budgeted in the Capital Outlay Reserve (COR) have been incorporated into the model. As the analysis progressed, it was found that proprietary agencies had not shared in the cost of both technology and construction projects funded in the COR. The technology funding model, and the adjustment to the administrative reimbursement corrected that omission and help insure that general property tax supported funds do not subsidize proprietary operations and, conversely, that proprietary administrative charges are not unfairly subsidizing the general fund.

As a result of the review of the administrative charges, proprietary departments were asked to increase their administrative reimbursement from 2.84 to 3.37 percent of their budget. The revised administrative and technology charges will require proprietary agencies to reduce carryover into FY 2004-05 or to delay projects and hiring, similar to the effect of the increased attrition in general fund agencies. The Housing Agency, which is also anticipating a reduction in federal funding, projects that vacancy rates may increase by one to two percent.

While I am in support of changes to the charges for technology and administrative costs to equitably balance shared costs between proprietary and general fund agencies, I am concerned about the effect of these increases. Therefore, I directed the Office of Management and Budget to review the charge back methodology and recommend adjustments that would ensure equity and fairness and not be excessive in its impact.



The recommended adjustment to the administrative charge takes into account the revised methodology for charging technology costs.

Historically, the administrative charge is based on the prior year costs. However, because in FY 2003-04, proprietary agencies will be paying for technology costs through the new funding model, the technology component of the administrative reimbursement can be reduced proportionately, and the administrative charge reduced to 3.02 percent from the 3.37 percent level. As a result, the administrative reimbursement revenues to the Countywide and UMSA general funds will be reduced by \$2.099 million and \$1.29 million, respectively. However, as described previously, that loss can be offset by changes to recommended general fund expenditures. As a result of these adjustments, savings generated by the reduction of the administrative reimbursement from proprietary departments could be used to reduce the effect of higher attrition levels or to advance other service needs within the affected departments. Also, by continuing to review the funding model, it was possible to reduce the cost of IT projects to proprietary agencies under the IT funding model by \$1.42 million. Those adjustments as well as the adjustments to the administrative charges are reflected in Attachment 7.

#### **10. Animal Services Unit**

The Animal Services Unit (ASU) of the Miami-Dade Police Department, has established the largest completely free spay and neutering program in the United States. Resources have been committed to end the euthanasia of healthy, adoptable animals. The unit has developed a progressive approach to bring about a long-term solution to pet overpopulation, animal bites, and nuisance concerns. The unit generally has been self-supporting, depending on fees for services and donations. However, service improvements and increased costs have caused carryover and new donations to be expended, as well as exhausting other revenues collected. It is anticipated that an additional \$1.2 million will need to be generated in FY 2003-04 to continue the programs.

The FY 2003-04 Proposed Budget includes changes in the fee schedule for the ASU within the Miami-Dade Police Department, including introducing a \$10 fee for cat registration, which is expected to increase revenue by \$200,000.

Cat licensing has become an industry standard for communities across the country as a public safety issue. Although there have been no rabies related incidents involving domestic animals within Miami-Dade County in the past ten years, the one recent occurrence in Broward County involved a cat. The registration would require vaccination against rabies, but would not require the wearing of a tag. The licensing of cats is a requirement in other neighboring Florida Counties, such as Broward (\$12.00 sterilized, \$24.00 intact), Palm Beach (\$14.00 sterilized, \$35.00 intact), and Collier (\$7.00 sterilized, \$25.00 intact). The average around the State of Florida is \$11.00 for sterilized and \$27.00 for intact cats. As an alternate approach to imposing the cat registration fee, expenses could be reduced by closing the animal shelter on Sundays and Mondays.

The Proposed Budget also includes the first adjustment of fees for annual dog licenses since 1993, increasing the license fee for sterilized dogs to \$25.00 from \$20.00 (\$414,000) and for intact dogs to \$35.00 from \$32.00 (\$201,000). The increased fees for

dog licenses combined with cat fees are anticipated to add \$815,000 in revenues to support the ASU.

Since the publication of the proposed budget, it was determined that an additional \$385,000 would be required to fund the unit, due to the unavailability of trust fund carryover. This additional revenue can be raised through increasing pet adoption fees to \$28.25 from \$8.25, and through approval of an ordinance requiring veterinarians to ensure that all animals under their treatment are properly licensed and vaccinated. If this recommendation is approved by the Board, appropriate implementing ordinance language will be presented for your consideration.

In December, 2001, adoption fees were decreased to \$8.25, from a schedule of fees that ranged from \$25.00 for male cats to \$60.00 for female dogs. This reduced fee was introduced in order to increase adoption of healthy animals. However, a review of the adoption statistics does not support a correlation between pet adoptions and a reduction in price.

The ASU works closely with humane societies, animal rescue and welfare groups, and veterinary associations. These agencies are aware of ASU's need to generate additional funding in order to run the Animal Shelter and continue public safety, adoption, and alternatives to euthanasia initiatives. The ASU reports that initial reaction regarding the fee proposal has been positive. Attachment 8 includes a revised fee schedule, which will generate the funds needed to continue the operation.

#### **11. Phase IV of the Quality Neighborhood Improvement Program (QNIP)**

The first three phases of the QNIP program have been an overall success in improving the quality of our unincorporated area neighborhoods. QNIP is a program that we can all point to proudly. Our Office of Capital Improvements Construction Coordination, Public Works Department, Department of Environmental Resources Management and Park and Recreation Department have aggressively responded to meet the needs that each District Commissioner has identified in the unincorporated areas of their district. Nonetheless, there are still extensive infrastructure needs in the unincorporated areas of all Commission Districts.

For this reason, and to continue the momentum of the QNIP program, I am proposing a QNIP Phase IV comprised of \$27.5 million of financing proceeds. The repayment will be structured so as to have no fiscal impact in FY 2003-04. The annual payments will be under \$2 million and will be programmed beginning in FY 2004-05.

I am proposing that this \$27.5 million be combined with the \$5 million proposed for reallocation from QNIP Phases I and II for a total of \$32.5 million available. Eligible projects will include the previously approved categories including but not limited to drainage, resurfacing, parks, sidewalks, traffic calming projects, and other municipal-type capital projects within the unincorporated area.

Several Commissioners have suggested allocation methodologies for QNIP funds. These suggestions varied from a distribution based exclusively on each district's percentage of the total UMSA population to simply dividing the total available funds by

the thirteen districts. In order to balance the needs of our older UMSA neighborhoods in Central and North Miami-Dade and the predominant UMSA populated Southern districts and to mitigate the fiscal impact of project shifts caused by the most recent redistricting, I am recommending that half of the available funding be allocated evenly among the thirteen districts and half be allocated on a prorata basis of the UMSA population within each district. Other methods could be used to allocate these funds, if the Board so desired. For example, the formula could change the ratio between the even distribution and the distribution by UMSA population. My recommendation is detailed on Attachment 9 at the end of this document.

## **12. 311 Answer Center and Elections Department Facility**

A thorough review of the Answer Center has led to a change in site location, expansion of the scope of the Answer Center, and revised construction cost estimates. The Proposed Budget originally contemplated locating a limited service Answer Center within the Fire Headquarters with a proposed capital budget of \$9.4 million. However, it is now recommended that the Answer Center occupy a portion of the second floor of the newly acquired Samsung Building, where the Elections Department is moving. The change in location is to provide a facility that will be large enough to house an Answer Center capable of serving the entire county. Locating the Answer Center at Fire Headquarters had the potential of impacting Fire operations and would have provided no room for future growth possibly necessitating a relocation within three to five years with associated buildout and technology capital costs. The Samsung Building will provide a permanent, long-term location. The expanded scope allowed by this relocation will also allow the Answer Center to relieve certain non-emergency calls from the existing emergency 911 system. The revised project capital cost is now \$16.189 million. This cost increase is due to equipment, build-out, and parking facilities associated with the new location (\$2.884 million), expanded Answer Center scope (\$2.088 million), and revised technology and construction estimates (\$1.817 million). Capital expenditures will be funded through a \$12.898 million financing and \$3.291 million of pay-as-you-go capital funding.

It is my intention to phase-in the operation of the Answer Center with a soft launch in February, 2004. Staffing will be ramped up commensurate with call volumes. While the scope of the Answer Center is expanding, this project will remain within the \$2.85 million included for operations and debt service in the FY 2003-04 Proposed Budget by phasing in operations and by conforming capital financing. The estimate for annual operating costs when fully staffed is approximately \$4.301 million, which are expected to be offset by a combination of general fund and proprietary revenues. We are continuing to work with the City of Miami in acquiring the 311 number, defining the service levels, and phasing-in re-routing of call depending upon anticipated call volumes.

The Elections Department cost associated with the move to the Samsung Building has changed from \$11.126 to \$11.513 million due to revised buildout estimates and technology infrastructure estimates. As in the case of the Answer Center, capital expenditures will be funded through a financing. Staff has calculated that operating costs for the Elections Department will decrease by \$228,000 as a result of the Answer Center sharing the cost of building operations.

As stated in the FY 2003-04 Proposed Budget, the new Supervisor of Elections has evaluated the Elections Department's proposed budget and organizational structure. The Supervisor of Elections adjusted certain classifications but did not recommend a change to the total number of 94 budgeted positions. The Department anticipates that additional costs will be incurred during the March Presidential Primary Election as a result of delayed certification of new voting machine software by the State. In addition, the Supervisor of Elections has identified necessary equipment, vehicles, and seasonal employees that were not funded in the Proposed Budget. It is recommended that the facility savings in the Elections Department budget be allocated to those newly identified costs.

### **13. FY 2003-04 Pay Plan**

It is recommended that the Board approve the FY 2003-04 Pay Plan. Language approving the FY 2003-04 Pay Plan is incorporated in the Self-Supporting Budget Ordinance. The Pay Plan contains changes and adjustments that update and clarify Pay Plan language and provisions. It also includes the addition of new classifications, the abolishment of obsolete classifications, and occupational code and title changes. The pay rates reflected in the Pay Plan will be administered in accordance with the provisions of the Living Wage Ordinance 99-44. The Pay Plan incorporates provisions of the collective bargaining agreements and other actions that have been previously approved by the Board. As noted in my Budget Message, we are reviewing the County's compensation system. As part of our analysis, we will assess the extension of the \$50.00 bi-weekly pay supplement to non-bargaining unit employees that is effective in July, 2004. A full report will be provided to the Board once the review is completed.

### **14. Country Club of Miami**

On July 21, 2003, pursuant to Resolution R-813-03, the Miami-Dade Park and Recreation Department assumed operations of the Country Club of Miami. The two golf courses (East and West) will be completed and ready to reopen on November 1, 2003. At that time, the Clubhouse and Driving Range will also be reopened. The South course will remain a passive green area pending redevelopment plans and future funding. For FY 2003-04, the operating budget needs to be increased by \$3 million to budget the revenue and expenses associated with County operations of the Country Club of Miami. The net operating revenue is estimated to be \$248,000. Because of outstanding obligations, which were outlined in the July 22, 2003, report to the Board on County assumption of golf course operations, a budget adjustment will be necessary at the end of this fiscal year. The outstanding obligations are estimated at \$1.2 million. The surplus from FY 2003-04 will be used to offset a portion of those obligations. A full report regarding the current year adjustments will be included in the year-end supplemental budget in November.

### **15. Miami-Dade Empowerment Trust Allocation for Job Training Programs**

The Board has approved allocations to fund the Florida Memorial College Aviation Scholarship Fund and the Jobs for Miami Aviation Program from aviation funds used to match Federal Empowerment Zone grants. However, the Federal Aviation

Administration has disallowed the use of aviation funds for that purpose. To resolve the issue, it is recommended that the Empowerment Trust be requested to provide \$100,000 to these programs from other Empowerment Trust funds.

## **16. Reserve Policy**

On June 3, 2003, the Board adopted Resolution R-662-03 directing us to prepare a reserve policy for the general fund, including a funding mechanism for a contingency reserve. Rating agencies look to local governments to conduct their business in a fiscally responsible and prudent manner. They view a formal reserve policy as an effective practice for a local government to enhance its credit ratings and address unanticipated revenue shortfalls or unforeseen expenditures.

In the FY 2003-04 Proposed Budget, I recommended the establishment of an Emergency Contingency Reserve, which will provide a source of funds in the event of an emergency and also ensure a substantial carryover from year to year. To fund such a reserve, I recommended that the current debt service millage of 0.390 mills be reduced by 0.105 mills (to 0.285 mills) for a period of eight years. It is expected that the reserve will grow to over \$100 million over the next eight years, assuming historical growth in the property tax rolls.

It is recommended that the County Commission rules be amended to reflect the conditions under which funds from the Emergency Contingency Reserve may be used. It is recommended that the Emergency Contingency Reserve only be used to address unusual circumstances, such as natural disasters or unexpected revenue reductions that cannot be absorbed through historical methods. In addition, authorization for use of funds from this reserve would require a favorable recommendation from the Budget and Finance Committee and a two-thirds vote of the Board members present provided there is a recommendation from the County Manager. Absent a recommendation from the County Manager, the request must receive a favorable recommendation from the Budget and Finance Committee and a three-quarter vote of the Board members in office.

## **17. Special Events and In-Kind Reserve Fund**

In the Proposed Budget, it was recommended that the Special Events and In-Kind Services Reserve Fund be funded at \$750,000 to provide reimbursement to general fund supported departments for the provision of in-kind services. During the first budget hearing, several Commissioners asked for a more integrated process for organizations requesting in-kind support. In response, we have developed certain criteria, which address Commission concerns and incorporate changes proposed by Commissioner Sally Heyman in her May 14, 2003, report. Based on the comments from the Board, it is recommended that, of the total \$750,000, \$130,000 (\$10,000 per district) be designated for specific district needs or events, and the remaining \$620,000 be available for countywide in-kind services. Additionally, the submission deadline of 120 days prior to the date of a "Major Event" remains; the deadline for other "Special Events" has been reduced to 60 days prior to the event; and no deadline is recommended for district allocations. Individual applications have been created to differentiate event requests.

Detailed recommendations regarding the process and applications forms are included as Attachment 10.

#### **18. Greater Focus On Customer Service Through Citizen Access and Web Portal**

The results of the Strategic Planning process and recent marketing research indicate that the number of Miami-Dade residents with Internet access increased to 70 percent in the last year; however, most are unaware of the information and services the County provides and how to access them using the County's web site. If the County neglects to effectively inform the public regarding the information and services available on-line, we will be unable to achieve the benefits of cost savings and improved service. The total cost for an informational program is \$250,000 and is included in the Enterprise Technology Services budget. Increasing self-service web transactions will result in the provision of improved customer service to the public at lower costs. The cost savings derived from shifting customer calls, in-person visits, and mail transactions to self-service web transactions should be substantial over time. This efficiency applies to both internal and external customer transactions. The savings are a result of business process reform, streamlined service delivery, as well as reductions in office overhead, printing, postage, sorting, scanning, and data entry.

#### **19. Community Action Agency Grants**

The Community Action Agency (CAA) budget includes estimated grant allocations from various state and federal sources. The department was informed of the actual grant allocation from the United States Department of Health and Human Services subsequent to the release of the budget in July. The Agency will receive \$845,000 for quality enhancements and cost of living adjustments for Head Start teachers. CAA has also received \$121,000 to assist agency participation in the National Reporting System and Early Literacy Programs for all Head Start programs. The State Department of Health is providing an additional \$447,000 to expand the childcare food program. CAA will be partnering with the YMCA to provide snacks at their locations.

#### **20. Recommended Fee Adjustments**

The Board is reminded that the Self-Supporting Budget Ordinance (Agenda Item F) includes the proposed fee changes that were recommended in the FY 2003-04 Proposed Budget. These proposed fee adjustments were outlined in our briefings with County Commissioners and, pursuant to Resolution R-1018-94, were discussed with the public at the Budget and Finance Committee meetings held throughout the county in August.

The Water and Sewer Department's (WASD) proposed budget includes a six percent overall rate increase for FY 2003-04 and an additional six percent increase for FY 2004-05. The six percent overall increase consists of revisions to the retail and wholesale water and wastewater rates. Effective October 1, 2003, the average 7,500-gallon combined water and wastewater residential customer's monthly charges will increase to \$32.14 from \$30.19. The Proposed Budget also includes new miscellaneous fees for WASD. These changes are detailed in the WASD rates and fees schedules attached to

Agenda Item F. These increases are necessary to maintain service levels and meet the capital costs associated with mandated water and wastewater treatment regulations.

Fee adjustments recommended for the Miami-Dade Park and Recreation Department include an increase in golf rates at County golf facilities, marina charges, selected gate admission, showmobile and sound system rental rates, mountain bike program fees, rental rates for the second story at the cabanas at Crandon Park, and Equestrian Center charges as well as fees at new facilities. The proposed changes to the Park and Recreation Department's fee schedule are attached to Agenda Item F.

Consistent with past practice, the Miami-Dade Aviation Department (MDAD) landing fee is calculated semi-annually. MDAD has proposed the landing fee be increased effective October 1, 2003, to \$2.03 from \$1.80 per 1,000 pounds of landed weight. The Miami Airport Affairs Committee, which is attended by the majority-in-interest carriers at Miami International Airport, reviews the department's budget and the proposed landing fees. Additional recommended fee adjustments include an increase in airport long-term parking; concourse, gate and ticket counter user fees, and taxicab operation fees. (Attachment 11)

Consistent with contractual fee increases incorporated in the 20-year interlocal agreements with municipalities and programmed in the Department of Solid Waste Management's multi-year financial plan as presented to the rating agencies, and in accordance with the July 2003 Consumer Price Index, South, the solid waste disposal tipping fee for contracted municipalities, private haulers, and government agencies is recommended to increase to \$50.65 from \$49.65. The disposal-tipping fee for non-contracted municipalities, private haulers, and government agencies is recommended to increase to \$66.80 from \$65.45. The transfer fee for all customers is recommended to increase to \$10.05 from \$9.85. Other solid waste requiring special handling per load (added to the disposal fee) is recommended to increase to \$50.65 from \$49.65. As discussed in my Budget Message, the residential solid waste collection fee is recommended to increase to \$399 from \$349 in order to fund collection operations and to address bond-related reserve requirements. All other waste collection fees and charges are proposed to increase by the same percentage, 14.3 percent. The fee schedule is outlined in Administrative Order 4-68 in Agenda Item F.

As stated in the FY 2003-04 Proposed Budget, Community Redevelopment Agencies (CRAs) receive the vast majority of their revenues from ad valorem tax increment financing from their district's taxing authorities. Municipalities that make tax increment payments charge their respective CRAs for direct staffing and also for administrative support on an allocated basis. At this time, the County does not recover administrative costs for overseeing CRA activities and processing and approving CRA-related items such as their annual budget approval, redevelopment plan changes, bond issues, and interlocal agreement amendments. It was recommended in the FY 2003-04 Proposed Budget that the Board approve the establishment and implementation of an administrative reimbursement charge of 1.5 percent of the County's tax increment payments to be charged to all CRAs, payable by March 31 of each calendar year. It is recommended that the Board grant the County Manager the authority to negotiate and execute interlocal agreement amendments with the CRAs in order to implement an

annual reimbursement charge that will ensure recovery of the County's costs in supporting CRAs.

## **21. Miami River Dredging Project**

Since publication of the Proposed Budget, several important updates have occurred with the Miami River Dredging Project. The Army Corps of Engineers (USACOE) and Miami-Dade County signed the Project Cooperation Agreement on July 30, 2003. This Agreement was followed by the USACOE's release of the Request for Proposal (RFP) for the dredging of the Miami River on August 29, 2003. The USACOE now expects to begin dredging the Miami River sometime between March and July, 2004. There are two clear partitions of the River Dredging Project. The project for the center of the River within the Federal Navigational Channel is estimated to cost approximately \$54 million (80 percent from the Federal Government, 10 percent from the State of Florida, 5 percent from the Florida Inland Navigational District, 2.5 percent from the City of Miami, and 2.5 percent from Miami-Dade County). The project area outside the Federal Navigational Channel ("bank-to-bank") is estimated to cost approximately \$12 million and is a local responsibility.

We have tentatively negotiated a split of this \$12 million "bank-to-bank" funding with the City of Miami. The City has agreed to funding 37.5 percent (\$4.5 million) while the County has agreed to 62.5 percent (\$7.5 million) according to the geography of the Miami River. This cost share split is based on 50 percent Countywide and 50 percent "municipalities". Since the uppermost 25 percent of the Miami River lies within the Unincorporated Municipal Service Area (UMSA), Miami-Dade County will be responsible for 25 percent of the "Municipal" 50 percent resulting in the aforementioned 62.5 percent from the County (\$990,000 of Capital Outlay Reserve has been set-aside for this in FY 2003-04). We will continue to work with the State of Florida and the Florida Inland Navigational District for additional funding for the bank-to-bank portion of the Project. The USACOE estimates project completion sometime in the spring of 2007.

## **RECOMMENDED REORGANIZATIONS**

A number of organizational reviews were considered and evaluated in the past few weeks. After countless meetings and analysis, we are advancing for your consideration the recommendations described below. Attached to these studies you will also find the adjusted table of organizations pertaining to each proposed reorganization.

### **1. Emergency Management/Homeland Security/Water Management**

There have been ongoing concerns regarding the proper organizational placement for the Office of Homeland Security. After a thorough review of the issue, I have determined the best course of action is to consolidate the Homeland Security function and the Office of Emergency Management into a single agency, the Office of Emergency Management/Homeland Security (OEM/HS), that will report directly to the Office of the County Manager.

It also is recommended that the Office of Water Management be absorbed into OEM/HS. The nature of the responsibilities for both operations requires a close working



relationship with numerous other governmental agencies. This merger will enhance the coordinating and planning capabilities for Water Management and lead to increased information sharing between all governmental agencies involved in water-related issues in South Florida. Funding for the agency will remain split between the Water and Sewer Department, the Department of Environmental Resources Management and the Federal Emergency Management Agency. Although organizationally in OEM/HS, the Water Management function will report directly to the Assistant County Manager overseeing water resource issues to assure my office is fully involved in these important matters.

The Fire Rescue Department will continue to provide administrative support for the OEM/HS. A detailed report outlining the recommendation is attached for your review (Attachment 12).

## **2. Miami-Dade Transit and Office of Public Transportation Management**

I have completed my review of the various issues surrounding our transit program, including those related to organizational structure, the Citizen's Independent Transportation Trust (CITT), our program management approach (e.g., use of professional contracted assistance), and several financial and service-related concerns. I have attached a detailed memo (Attachment 13) which outlines my recommendations, and a separate report produced by the Office of Performance Improvement (OPI) which analyzed various organizational and program management models. After speaking with the Directors of MDT and OPTM, the Mayor, and Commissioners, I believe that the best approach for moving the People's Transportation Plan (PTP) forward is to create a unified transit department responsible for operating and capital expansion activities, remain true to our original pledge to double bus services in five years, and develop a strategy to aggressively implement PTP highway and road improvements. As a result of suggested changes outlined in my memo, I am recommending 216 fewer total positions than in my original budget, and a reduction in operating expenses of approximately \$6 million.

## **3. Realignment of Juvenile Justice Assessment and Diversion Functions**

A preliminary review of potential efficiencies that can be implemented within the County's juvenile criminal justice programs revealed interdepartmental responsibilities related to the assessment and diversion of juveniles who are arrested. These programs currently exist within the Department of Human Services (DHS) and the Juvenile Assessment Center (JAC). A final recommendation on the restructuring of these functions is pending additional analysis.

All county activities that pertain to juvenile justice, the Youth Crime Task Force, arrested juveniles, coordination of juvenile justice policy, assessment, diversion, case management, other related services, and funding of these functions will be studied over the next six weeks by a committee that I have already appointed (Attachment 14).

This committee is charged with reviewing the assessment, case management and diversion programs at the JAC and within DHS with a focus on the best interest of the

children, the need for operational efficiencies, and potential savings. This will include recommended funding levels, organizational structures, and system improvements to maximize the use of information technology resources at the JAC.

Some of the anticipated savings (\$500,000) have already been recommended as part of the FY 2003-04 Proposed Budget. Any additional recommended changes to the budgets and staffing of the affected departments will be presented to the Board upon completion of the review.

#### **4. Office of Strategic Business Management**

As a result of reviewing the organizational structure in the Office of Management and Budget and the Office of Performance Improvement, I am recommending combining the two offices and establishing a strengthened organization, the Office of Strategic Business Management (Attachment 15). I believe that in order for us to progress into a stronger and more effective organization, it is vital that we foster an environment of business-oriented management, efficiency, and service orientation. The Office of Strategic Business Management will blend our performance improvement function, strategic management functions and our budget process to drive this type of approach into our organization. During the course of the next year, we will emphasize departmental business planning aligned with our countywide strategic plan and our organizations' vision for the future. We will also introduce mechanisms to enhance our budget process so that it is made more strategic and results-oriented through performance measurement and results reporting. Additionally, it is recommended to strengthen the Incorporation and Annexation Unit of the Office to emphasize municipal contracting and service delivery.

The Office of Strategic Business Management includes a Revenue Maximization and Grants Coordination Unit that will proactively identify opportunities for our community to draw down federal and state funding to support operations. (Attachment 16). The Proposed Budget provides for an additional two positions, increasing the Office's direct staff to six. This unit will serve as a countywide resource and knowledge base and will also provide expertise in assessing any potential changes that in the future may impact our continuity of funding. The first tasks of this unit are to work with the Alliance for Human Services (AHS) to assure language is in the AHS request for proposals to allow for maximizing federal funding to supplement County allocations and to develop strategies to maximize resources available to support the Children's Budget.

#### **5. The Office of Americans with Disabilities Act Coordination**

The Office of Americans with Disabilities Act (ADA) Coordination is currently located in the General Services Administration. The Proposed Budget recommended that the Building Code Compliance Office (BCCO) fund ADA Coordination activities. Subsequently, staff reviewed the rationale for the organizational location and funding for ADA Coordination. As a result of that review and given the nature of its functions, it is recommended that the Office of ADA Coordination remain within GSA and be funded through the general fund. However, while GSA will provide requisite support to ADA, on policy matters, the ADA Coordination Director will report directly to the County Manager's Office.

## **6. Safe Neighborhood Parks Administration**

A review of the organizational structure of the Office of Safe Neighborhood Parks was completed, and it was determined that the present office structure, operational cost, reporting relationships, and level of service currently being provided by this office are effective and does not warrant a change of structure or consolidation at this time.

## **7. Ocean Lifeguards**

On April 8, 2003, the Board of County Commissioners approved a resolution sponsored by Commissioner Heyman that directed staff to determine the feasibility of transferring Miami-Dade Lifeguarding and Ocean Rescue Services (LORS) from Miami-Dade Park and Recreation to Miami-Dade Fire Rescue Department (MDFR). A Committee, comprised of 30 staff members from Employee Relations, General Services Administration, Office of Management and Budget, Park and Recreation and MDFR as well as union representatives from American Federation State, County and Municipal Employees (AFSCME) and Government Supervisors Association of Florida, met weekly to assess the budgetary and administrative impacts of the proposed transfer.

The Committee acknowledged ocean lifeguards as first responders and determined transferring LORS from the Park and Recreation Department whose mission is to “create outstanding recreational, natural, and cultural experiences to enrich and to enhance the community” to MDFR which is “committed to protecting people, property and the environment by providing rapid, professional, humanitarian services” is a sound business conclusion. In addition, the Committee reviewed several service enhancements such as additional training and improved equipment that could potentially enhance service delivery.

Based on direction from the Board of County Commissioners and the committee findings it is recommended that LORS be transferred into the Special Operations Division under the Marine Services Bureau, MDFR, effective October 1, 2003. (See attached proposed table of organization – Attachment 17.)

Funding for LORS would continue to be provided from the Countywide General Fund at the same funding level (\$2.4 million) as in the Proposed FY 2003-04 Budget.

## **8. Employee Relations and Office of Employee Recognition**

In my FY 2003-04 Proposed Budget message, I requested an organizational review of the Employee Relations Department (ERD) and the Office of Employee Recognition (OER) in order to ascertain if combining the functions of these departments is feasible. After careful consideration of several alternative options, I am recommending that the Employee Suggestion Program (ESP) section of OER be placed in the Career Development Division of ERD. Career Development oversees and directs various functions related to employee development such as the training provided by Miami-Dade County University. Providing employees with training will compliment ESP’s objective of encouraging employee participation in improving productivity, efficiency, effectiveness, safety, and the quality of government services.

I recommend that the Employee Recognition part of OER be placed in the Government Protocol Services division of the Communications Department (Attachment 18) that in part handles proclamations, resolutions, and distinguished visitor and appreciation certificates. Employee Recognition's mission is similar in that the section identifies and promotes employee recognition programs to improve employee morale and productivity.

A review of the organizational structures of the Employee Relations Department and the Office of Employee Recognition is attached (Attachment 19).

## **9. Public Safety**

Attachment 20 dated September 11, 2003 is a preliminary report resulting from the organizational review of Miami-Dade Police Department (MDPD) and Miami- Dade Corrections Department (MDCR), focusing on reunification of the two departments. The possible merger of the Juvenile Assessment Center (JAC) into the large public safety department was also considered. The attached report recommends that these three departments remain as separate organizational structures within Miami-Dade County. A June 10 memorandum on the same subject targeted potential savings of approximately \$3.5 million as a result of administrative efficiencies that could be realized through merger of the departments. However, since the June memorandum, numerous cost savings measures were taken in the departments (\$1.688 million), as well as an analysis of merger-related expenses (estimated at \$900,000). An updated and more in depth and open review of the potential savings as well as the expenses associated with the merger, as requested by my office, identifies potential net savings of approximately \$912,000.

One of the cost savings initiatives that is being recommended is a reorganization of Corrections and Rehabilitation Department. The acting Director of the Corrections and Rehabilitation Department has submitted a restructured table of organization (Attachment 21) that more efficiently realigns responsibilities and administrative functions. This plan eliminates the seven positions that are recommended for reduction in the proposed budget for a first year annual savings of \$815,000. Positions eliminated include two assistant directors, the ombudsman, three captains, and one commander. Additionally, eleven support positions are proposed to be eliminated that were scheduled to be frozen to accomplish the recommended attrition adjustment. The total value of the reduction of positions from 2,662 to 2,644 is \$1,171,000.

In light of the interest in a merger of MDPD and MDCR, and concurrence by the affected departments that a more thorough, long-term review is warranted before any final decisions are made, I am directing the Office of Strategic Business Management to conduct a management review and analysis over the next six months. This analysis could prove to be a useful tool as we move forward with next year's budget planning process.

## **10. Economic Development Reorganization**

Attached is a report (Attachment 22) relative to the departments focused on economic development and revitalization activities and their reorganization. A review of the Office

of Community and Economic Development (OCED), Miami-Dade Empowerment Trust (MDET), Metro-Miami Action Plan (MMAP), and Urban Economic Revitalization Task Force (UERTF) has produced a potential savings of nearly \$690,000, while restructuring and merging the four departments into two. The reorganization will not affect the structure or support to the boards of the organizations.

## **11. Fire Rescue Department**

The acting Fire Chief has submitted a revised table of organization that reduces bureaucracy and eliminates duplicative administrative functions (Attachment 23). This plan abolishes or freezes eight positions with a first year annual savings of \$652,000. The Fire Chief also has submitted a plan for accelerated recruit training. (Attachment 24) and a recommendation for allocating the funds available due to the accelerated hiring plan and staff reorganization as well as savings from reduced administrative charges (Attachment 25). These funds will be used to increase direct services in the district by deploying additional units at the Bunche Park and West Sunset Fire Stations, increasing resources dedicated to hazardous materials response, purchasing thermal imaging cameras and bolstering necessary reserve accounts.

## **12. Enterprise Technology Services Department**

In accordance with my budget message, the Chief Information Officer (CIO) submitted a table of organization (Attachment 26) that consolidates the functions of the Information Technology Department and e-Government into a single department, reporting to the CIO. In addition, the Office of the CIO staffing has been substantially reduced, primarily by transferring staff and functions to the newly consolidated organization. As part of this restructuring, I recommend the transfer of one position and related operating costs (a total of \$100,000) from the CIO to the Department of Procurement Management (DPM). The transfer would provide additional assistance and enhance the efficient and more effective purchasing of IT-related items in DPM.

It is recommended that the newly consolidated department be renamed the Enterprise Technology Services Department. A national search has begun to fill the vacant director's position. Adjustments to the table of organization may be made after review by the new director.

It is also recommended that the County continue its focus on consolidating technology solutions countywide. Functions such as e-mail server management, storage management, hosting of enterprise applications, databases and services, network management, telephony and radio services, and web page design and publishing should not be duplicated at the departmental level. Furthermore, it is important for the CIO to work closely with departments to establish a basic set of technology standards such that departmental systems are compatible with county infrastructure to the greatest degree possible. The CIO is also working with my staff in developing a governance model to address such issues as well as providing a formal framework to prioritize IT projects.

Each department has been requested to submit a business case analysis for each FY 2003-04 technology initiative for review by the CIO, my office, and the Office of Management and Budget. To date, approximately 90 business cases have been

received and are being evaluated. The analysis focuses on whether a sufficient business case is made to warrant investment, and whether the requested initiative duplicates existing countywide infrastructure. These projects will be included and prioritized using the newly created governance model.

## **INFORMATIONAL REPORTS**

### **1. General Services Administration Comprehensive Review**

Beginning in October, 2003, we will conduct a joint, comprehensive performance and efficiency review project with General Services Administration and the Office of Strategic Business Management. The project will include the following components:

- High level organization review and recommendations;
- Comparative analysis of organizational and fee structures in other jurisdictions;
- Operational process reviews and analysis of alternative service delivery models;
- Benchmarking to available private industry fees;
- Identification of additional areas for managed competition and performance-based memorandums of understanding;
- Cost and fee analysis at a summary level to meet the FY 2004-05 budget cycle with potential implementation of selected components during FY 2003-04; and
- Further detailed fee analysis and review in selected areas, which may continue throughout FY 2003-04.

As components of the study are completed we will be reporting results and recommendations through the Efficiency and Competition Commission.

In the interim, GSA is internally reviewing its structure and practices for real estate, facility management and construction services. The review is intended to realign organizational elements and staffing as necessary to streamline and integrate service delivery, establish fee structures more in line with the private sector, generate operating cost efficiencies, and emphasize a more responsive, customer-driven approach.

The review to date has identified a number of opportunities to improve operations. Those options will continue to be studied and refined, with the intent that recommendations be finalized by the end of this calendar year in conjunction with the study, either for immediate implementation or incorporation into the FY 2004-05 budget.

### **2. Improved Quarterly Performance Reporting**

In my Budget Message, I wrote of our need to quantify and report progress made towards achieving our objectives. I clearly understand the importance of timely information, which is also a priority that the Mayor has highlighted in his budget response, and is of great significance to the Board of County Commissioners. I am very pleased to report that departmental quarterly performance reports have been revised to include more performance measures and, for the first time, are now available on the County's intranet ([http://intra.co.miami-dade.fl.us/stratplan/Quarter 3 Reports.htm](http://intra.co.miami-dade.fl.us/stratplan/Quarter_3_Reports.htm)). This new reporting system is an important step in our journey of becoming more results-oriented. It is however, a single step; still more will be done in our efforts to make performance information tracking your budget priorities and business plan objectives

more timely, comprehensive, and closely aligned with our long-range strategic goals. My staff and I will continue to improve our performance tracking systems, and I welcome any suggestions that you may have.

### **3. Other Recommended Fee Adjustments**

Please find below a list of other fee adjustments that were included as part of the July 11, 2003, Proposed Budget.

The Miami-Dade Fire Rescue Department revised fee schedule for fire engineering and life safety inspections is attached to Agenda Item F. These revisions are intended to more accurately reflect the cost involved in performing life safety inspections and conducting plan review for new construction and major renovations thereby reducing the cost to the property taxpayers in the Fire Rescue District. The proposed fee schedule revision specifically addresses the issue of total cost recovery for services and regulation provided. To accomplish this, in addition to the current fee proposal, incremental fee adjustments are recommended over the next three years to make fire engineering and fire prevention services self-supporting. This change will maximize the property tax revenue available for rescue and suppression services within the district.

Fee adjustments recommended for the Miami-Dade Seaport Department include increases to various charges, including dockage, passenger wharfage, I.D. card renewals (both recurring and those requiring a five-year background check), and other miscellaneous fees as provided for in various contracts on October 1, 2003. The proposed changes to the Seaport's Tariff Number 010 schedule are attached to Agenda Item F.

Agenda Item F also includes a revision to the Stormwater Utility Fee schedule. The fee is recommended to increase by \$0.50, to \$3.50, per month per equivalent residential unit in FY 2003-04 and by another \$0.50 per month in October, 2004. The additional funds are necessary for the local match on \$720 million of federal funds for drainage and canal dredging projects.

In order to recover all costs associated with general operations, the Department of Environmental Resource Management's permitting and plans review fees are scheduled to be increased by 15 percent in FY 2003-04 as approved by the Board last year.

Fee adjustments recommended for the Planning and Zoning Department include an eight percent zoning fee surcharge to be effective for three years and certain revisions to the Planning and Zoning fee schedules that are deemed necessary to better define and specify fees and procedures. The proposed Planning and Zoning fee schedule is attached to Agenda Item F. The surcharge of eight percent on zoning fees is estimated to generate \$1.2 million and will be used to fund five technology initiatives that have the support of various industry representatives. The initiatives include imaging of zoning hearing records from prior to 1976, the addition of a Geographic Information System zoning layer, additional staff support for the zoning information center, inspector tracking to provide on-line routing information, and a web enabling payment system.

#### **4. Review of Administrative versus Operational Positions**

The Budget and Finance Committee has requested a review of growth in administrative positions compared to operational positions throughout the County. While identifying the overall growth in positions in the County is generally straightforward, identifying operational versus administrative is considerably more difficult. That type of analysis depends heavily on how an “administrative” position is defined. For example, although some positions may be more clearly identified as administrative (e.g. clerk typists, administrative secretaries, etc.) others may perform a combination of administrative, direct support, and direct service delivery functions. Using position classification is not necessarily an accurate method either. Conducting a comprehensive analysis of all positions in all departments is a lengthy process and requires extensive resources.

Since the FY 2003-04 Proposed Budget was submitted, staff has reviewed the Fire Rescue Department in this regard as reported above. Our organizational reviews have also considered administrative and operational staffing requirements. Further review will continue as part of the Performance-Based Program Review pursuant to Ordinance 03-65 sponsored by Commissioners Souto and Sosa. Other departmental reviews may be included as part of the Efficiency and Competition Commission studies over the next year.

#### **5. Tax Free Purchases**

I requested that the Office of Capital Improvements Construction Coordination and the Department of Procurement Management review and make recommendations regarding the tax-free purchase of construction supplies for construction projects on a countywide basis. Staff analysis indicates that, with the Board’s consent, on a case-by-case basis, the strategic application of this program should continue to be utilized. Staff does not recommend a blanket expansion due to administrative and logistic complexities and certain cost factors. Staff will continue to analyze and research wider application of the concept. Additional information will be provided if further expansion is deemed beneficial.

#### **6. Fleet Reduction**

The FY 2003-04 Proposed Budget anticipated savings of at least \$2.4 million from the reduction of the County’s fleet. Departmental staff along with my staff has identified approximately 250 vehicles to be returned to GSA Fleet Management, which will be reallocated to departments in place of new purchases. In addition, departments have been directed to review their fleet replacement requests to GSA in order to replace vehicles with less costly models and to downsize the number of vehicles in the fleet. Also, the purchases of large and premium size vehicles have been frozen, except in cases where a clear and undisputable need for such a vehicle exists.



## **7. Managed Competition Building Maintenance of Selected Department of Human Services (DHS) Facilities**

During FY 2002-03, the Office of Performance Improvement (OPI) inspected more than 50 DHS buildings and developed the framework and preventative maintenance program for the managed competition program to perform maintenance and minor repairs of these facilities. The goals of the competition are to reduce overall maintenance costs, preserve the County's assets, improve the state of repair of the buildings, and demonstrate the value of a proactive preventative maintenance program in the County. Ultimately, it is hoped that the use of private sector cost and performance targets will lead to demonstrable in-house improvements.

Of the more than 50 buildings inspected, 34 were found to be acceptable for inclusion in the preventative maintenance competition program. Buildings range in age from 1 to 63 years old and in size up to 45,000 square feet. These facilities are used for a wide range of social services, including neighborhood service centers, adult day care, residential substance abuse treatment, and disability services. In FY 2001-02, the total amount spent on maintenance and service ticket repairs at the facilities was just under \$500,000.

The OPI is coordinating the process that will include two groups of 17 DHS buildings (34 buildings total). One group of 17 buildings will be assigned to GSA and the other to a private provider through a competitive bidding process. The scope of work under the two proposed (GSA and the private provider) contracts includes comprehensive, regularly scheduled preventative maintenance (which is not currently performed at the facilities) and minor repairs costing less than \$5,000, currently performed by GSA through the service ticket process. Preventative maintenance will be provided for a single package price and includes monthly, quarterly, and annual maintenance schedules. Minor unpredictable repairs will be completed based on unit prices and, where unit prices have not been pre-established, labor rates and practical time estimates will be used.

The Department of Procurement Management (DPM) is reviewing the procurement package and will hold a joint meeting with GSA and the industry within the next 45 days to discuss the program and clarify requirements prior to finalizing the bid package. Subsequently, as the program develops and through its execution, periodic status updates will be reported through the Efficiency and Competition Commission.

Following award, costs, quality, and performance will be tracked for one year, after which the overall effectiveness of the program will be evaluated. The diversity in usage, building condition and age precludes an "apples to apples" comparison in terms of costs because the two building groups cannot be considered equivalent. Consequently, GSA and the private provider will compete against each other with regard to general facilities upkeep, responsiveness, speed, safety, and service quality. However, in terms of costs, both groups will be measured against assigned individualized cost targets established through the competitive process.

## **8. Efforts To Enhance Competition And Minimize Use Of Bid Waiver Process**

The Department of Procurement Management (DPM) continues to enhance full and open competition and minimize the number of non-competitive purchasing actions for goods and services. One successful initiative implemented in November, 2002, by DPM was the creation of the Competitive Acquisition (CA) Unit. The CA Unit is responsible for reviewing all proposed bid-waiver and sole source acquisitions to determine if there are opportunities for competition. This Unit also establishes and negotiates contracts for non-technology bid waiver and sole source procurement actions where there is no opportunity for competition or where it is in the County's best interest to procure through non-competitive methods.

In July, 2002, 513 of all active contracts were based on bid waiver or sole source actions. To date, we have identified 213 existing or new contracts available for competition. Much of the success in identifying these contracts may be attributed to thorough review of department requirements, effective market research, and close collaboration with the DPM client departments.

The identification of competitive opportunities is the first step toward full and open competition. The next step requires the development of technical specifications that are clearly expressed in terms of functionality and performance. Research and conversations with DPM client departments indicate the need to improve specification writing ability through skill building. To address this issue, the Board approved a resolution requiring that the County provide special writing skill classes to the technical staff in user departments. DPM is working with the Employee Relations Department and several university resources to develop and implement a technical specification-writing module as a permanent curriculum option for Miami-Dade County University. One of our major objectives for the upcoming year is to establish a training program that will address performance-based specification writing for implementation on a countywide basis. The CA Unit in DPM responsible for reviewing all bid waiver and sole source actions to be procured will continue to expand its market research competence and negotiation skills to ensure best value for the County.

## **9. Article V Update**

In my memorandum of September 3, 2003, I informed you of the appointment of Mr. Guillermo Cuadra, Esq., to coordinate the County's Article V efforts on a full time basis. Since then, Mr. Cuadra and other members of my staff, as well as members of the County Attorney's Office have been working on a glitch bill to help address some of the challenges in House Bill 0113A (HB 0113A) through the appropriate curative legislation. In June the State Legislature enacted HB 0113A to implement the mandates of Revision 7 of Article V of the Florida Constitution. As it stands today, HB 0113A has several provisions with substantial fiscal impacts to Miami-Dade County, among them (but not limited to): deleting the authority for counties on a local basis to impose incremental court filing fees, expanded definition of communication services, the prohibition of counties and cities from contracting with the State Attorney's Office to prosecute local ordinance violations, provisions which require counties to pay for courier and subpoena expenses, the imposition of a \$200 filing fee on counties for filing each county's ordinance violation in courts, etc. The provision eliminating local option incremental

court filing fees is especially troublesome. Beginning in 1994 these fees were imposed by the county to secure county special obligation bonds to fund the acquisition and construction of certain Courthouse facilities, including the Lawson E. Thomas Courthouse Center and lately for the construction of a new Juvenile Courthouse. The actions of the State Legislature have put these bonds on a technical default. If a special session does not occur in October, which appears unlikely, we will be ready well in advance of the 2004 regular legislative session with our glitch bill items.

#### **10. Executive Pay Review**

The County engaged the services of Fox, Lawson and Associates, a human resources and compensation consulting firm, to study its classification and compensation system. The Executive Compensation System has been a major part of this review. During FY 2002-03, Fox Lawson conducted interviews with senior management and completed an analysis of the pay plan and classification structure. The firm's final report and implementation plan will be presented in the fall. It is anticipated that the study will identify measures to institute a streamlined compensation system that not only will fairly compensate our workforce but also establish performance-based measures that correlate to compensation.

#### **11. Human Services**

The Department of Human Services has been notified of additional grant reductions and program changes that will reduce funds available for service provided by the agency. The Cuban Haitian grant reduction of \$547,000 will impact 15 positions and a change in the Farm Worker Training Program will impact seven positions. The department will also discontinue the family builders' program, which will impact 24 positions. The Department of Children and Families has indicated that they will contract with another provider to continue providing this service. This program was to receive \$466,000 from the general fund as non-required match dollars. These funds will now be available for use within the Department of Human Services to maintain current program levels and management support in the Elderly Services Division and Family Preservation and Victims Services Division. Employees impacted by the grant reductions are now being placed in existing vacancies.

#### **12. Property Assessment Analysis**

Due to the concerns raised during the first budget hearing regarding the assessed values of property within the County, the Property Appraiser has submitted a detailed analysis further explaining the changes in the assessments. (See Attachment 27).

#### **13. Miami-Dade County University**

In my FY 2003-04 Proposed Budget message, I requested that Don Allen, the Employee Relations Director review the current Miami-Dade County University (MDCU) program and structure and recommend refinements to assure that needed training is provided to employees efficiently, effectively, and affordably. The Employee Relations staff with the

assistance of the County Manager's Office and the Office of Management and Budget recommends the following refinements:

Mandated training, such as "Know Your County Government" for new employees and the Supervisor Certification Program for newly hired supervisors will be scheduled automatically. MDCU will work with other Employee Relations Department sections to identify these employees and schedule classes accordingly. In addition, MDCU will coordinate specialized training for County departments. Many departments are currently contracting separately for specialized training. MDCU will coordinate these efforts centrally to ensure that training opportunities are maximized and costs minimized.

MDCU will focus on improving the overall quality of the training provided by the in-house MDCU trainers. This improvement will be achieved by upgrading surveying and trainer evaluation methods, fostering the development of current trainers, improving texts and materials, using external learning institutions when appropriate, and augmenting internal training staff with subject matter experts from other county departments. MDCU staff will also begin to routinely survey departments to identify needs and MDCU problem areas.

MDCU will continue to charge for training at current rates. The County Manager's Office, Employee Relations, and the Office of Management and Budget will continue to review alternative funding options.

#### **14. Commission Office Space (Reconfiguration of the Second and Third Floor)**

On April 22, 2003, the Board approved Resolution R-381-03 sponsored by Commission Chair Carey-Shuler, directing staff to design plans for reconfiguring office space on the second and third floors of the Stephen P. Clark Center to accommodate the thirteen County Commissioners and their staffs. Staff was further directed to present the design plans to the Board for consideration prior to adoption of the FY 2003-04 Budget.

Preliminary floor plans have been completed by General Services Administration and the construction phase is estimated to cost at least \$2.6 million. This does not include the cost of relocating Commission staff to a temporary location during construction; planning and design, communications and data costs. A structural assessment of the third floor terrace area has been completed and it has been determined that the area can be reinforced.

Given the cost of the project, it should be carefully considered before a decision is made. Therefore, I am recommending that the project go through the Governmental Operations and Environment Committee for consideration. Should the Board decide to proceed, approximately \$300,000 will be required in FY 2003-04 for planning and design, which is available in the Capital Outlay Reserve for these types of projects.

Attachments